SECTION 10: FORMAT OF BANK GUARANTEE FOR SECURITY DEPOSIT

To: _____ [Name of Employer]
_____ [Address of Employer]

WHEREAS _____ [Name and Address of Contractor] (hereinafter called "the Contractor") has undertaken, in pursuance of Contract No. ____ dated _____ to execute _____ [name of Contract and Brief Description of Works] (hereinafter called "the Contract");

AND WHEREAS it has been stipulated by you in the said Contract that the Contractor shall furnish you with a Bank Guarantee by a recognized Bank for the sum specified therein as Security for compliance with his Obligations in Accordance with the Contract.

AND WHEREAS we have agreed to give the Contractor such a Bank Guarantee.

NOW THEREFORE we hereby affirm that we are the Guarantor and responsible to you, on behalf of the Contractor, upto a total of Rs._____ [Amount of Guarantee][7] Rupees_____ [in words] and we undertake to pay you, upon your first written demand and without cavil or argument, any sum or sums within the limits of _____ [Amount of Guarantee][8] as aforesaid without your needing to prove or to show grounds or reasons for your demand for the sum specified therein.

We hereby waive the necessity of your demanding the said debt from the Contractor before presenting us with the demand.

We further agree that no change or addition to or other modification of the Terms of the Contract or of the Works to be performed there under or of any of the Contract Documents which may be made between you and the Contractor shall in any way release us from any Liability under this Guarantee, and we hereby waive Notice of any such Change, Addition or Modification.

This guarantee shall be valid until 30 days from the Date of Expiry of the Defects Liability Period.

Signature and Seal of the Guarantor:
Name of Bank:
Address:
Date:

[7] An Amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract.

[8] An Amount shall be inserted by the Guarantor, representing the percentage of the Contract Price specified in the Contract.

Contractor

Executive Engineer (Project)
RR Nagar Zone, BBMP

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